

MONTANA LEGISLATIVE HISTORY

BEST COPY
AVAILABLE

Chapter 85 19 99

Bill H S 88

Original bill & history ☒ c

H. Committee on TAXATION

Hearing Date(s) 1/22 ☒ c

EXEC. ACTION 1/28 ☒ c

 c

 c

Date Out c

S. Committee on TAXATION

Hearing Date(s) 1/11 ☒ c

EXEC. ACTION 1/13 ☒ c

 c

 c

Did this bill originate in an interim committee? ☐ Yes ☐ No

Committee

Report

LEGISLATIVE HISTORIES SINCE 1997

The scope and depth of legislative committee minutes varies by year and by committee. If you would like additional information about a hearing, you may want to determine whether the hearing was recorded. In addition, some recent floor debates were also recorded. For information on accessing or purchasing these recordings, contact the Historical Society Archives at 406-444-4774.

If you have concerns regarding the format of the enclosed committee minutes or the recordings of the hearings, it is suggested that you contact your state legislators.

Montana
Legislative
Branch

Montana Legislature

Detailed Bill Information



| [Top](#) | [Actions](#) | [Sponsor, etc.](#) | [Subjects](#) | [Add'l Bill Info](#) | [Eff. Dates](#) | [New Search](#) |

Bill Draft Number: LC0406

[Current Bill Text](#)

Bill Type - Number: SB 88

[Fiscal Note](#)

Short Title: Revise tax appeal procedure for justice to defend vehicle titles

Primary Sponsor: Spook Stang

Bill Actions - Current Bill Progress: Became Law

Bill Action Count: 50

Action - Most Recent First	Date	Votes Yes	Votes No	Committee
Chapter Number Assigned	03/17/1999			
(S) Signed by Governor	03/16/1999			
(S) Transmitted to Governor	03/12/1999			
(H) Signed by Speaker	03/11/1999			
(S) Signed by President	03/10/1999			
(C) Sent to Printing	03/09/1999			
(S) Returned from Enrolling	03/09/1999			
(S) Sent to Enrolling	03/08/1999			
(S) 3rd Reading Passed as Amended by House	03/08/1999	50	0	
(S) Scheduled for 3rd Reading	03/08/1999			
(S) 2nd Reading House Amendments Concurred	03/06/1999	48	0	
(S) Scheduled for 2nd Reading	03/06/1999			
(H) Returned to Senate with Amendments	03/04/1999			
(H) 3rd Reading Concurred	03/04/1999	99	0	
(H) Scheduled for 3rd Reading	03/04/1999			
(C) Sent to Printing	03/02/1999			
(H) 2nd Reading Concurred as Amended	03/02/1999	96	0	
(H) Reconsidered Previous Action; Remains in 2nd Reading Process	03/02/1999			
(H) 2nd Reading Concurred	03/02/1999	97	0	
(H) Scheduled for 2nd Reading	03/02/1999			
(H) Committee Report--Bill Concurred as Amended	01/29/1999			(H) Taxation
(H) Committee Executive Action--Bill Concurred as Amended	01/28/1999	20	0	(H) Taxation
(H) Hearing	01/22/1999			(H) Taxation
(H) Referred to Committee	01/16/1999			(H) Taxation
(H) First Reading	01/16/1999			

(S) Transmitted to House	01/15/1999			
(S) 3rd Reading Passed	01/15/1999	50	0	
(S) Scheduled for 3rd Reading	01/15/1999			
(S) 2nd Reading Passed	01/14/1999	50	0	
(S) Scheduled for 2nd Reading	01/14/1999			
(S) Committee Report--Bill Passed as Amended	01/13/1999			(S) Taxation
(S) Committee Executive Action--Bill Passed as Amended	01/13/1999	8	0	(S) Taxation
(S) Hearing	01/11/1999			(S) Taxation
(S) Fiscal Note Printed	01/09/1999			
(S) Fiscal Note Signed	01/08/1999			
(S) Fiscal Note Received	01/08/1999			
(S) Referred to Committee	01/04/1999			(S) Taxation
(S) First Reading	01/04/1999			
(S) Fiscal Note Requested	01/04/1999			
(C) Introduced Bill Text Available Electronically	12/21/1998			
(S) Introduced	12/21/1998			
(C) Pre-Introduction Letter Sent	12/18/1998			
(C) Draft in Assembly/Executive Director Review	12/18/1998			
(C) Draft in Final Drafter Review	12/18/1998			
(C) Bill Draft Text Available Electronically	12/17/1998			
(C) Draft in Input/Proofing	12/17/1998			
(C) Draft to Drafter/Edit Review (SAB)	12/17/1998			
(C) Draft in Legal Review	12/17/1998			
(C) Draft to Requester for Review	12/17/1998			
(C) Draft Request Received	10/30/1998			

| [Top](#) | [Actions](#) | [Sponsor, etc.](#) | [Subjects](#) | [Add'l Bill Info](#) | [Eff. Dates](#) | [New Search](#) |

Sponsor, etc.

Sponsor, etc.	Last Name/Organization	First Name	Mi
Requester	Legislative Council		
Drafter	Heiman	Lee	
By Request Of	Department of Justice		
Primary Sponsor	Stang	Spook	

| [Top](#) | [Actions](#) | [Sponsor, etc.](#) | [Subjects](#) | [Add'l Bill Info](#) | [Eff. Dates](#) | [New Search](#) |

Subjects

--	--	--	--

Description	Revenue/Approp.	Vote Majority Req.	Subject Code
State Government		Simple	STGO
Motor Vehicles (see also: Traffic Regulations; Transportation)		Simple	MTRV
Taxation--Property		Simple	TXPR
Civil Procedure		Simple	CIV

| [Top](#) | [Actions](#) | [Sponsor, etc.](#) | [Subjects](#) | [Add'l Bill Info](#) | [Eff. Dates](#) | [New Search](#) |

Additional Bill Information

Probable Fiscal Note: Yes

Preintroduction Required: Y

Session Law Ch. Number: 85

DEADLINE

Category: Revenue Bills

Transmittal Date: 03/30/1999

Return (with 2nd house amendments) Date: 04/15/1999

| [Top](#) | [Actions](#) | [Sponsor, etc.](#) | [Subjects](#) | [Add'l Bill Info](#) | [Eff. Dates](#) | [New Search](#) |

Section Effective Dates

Section(s)	Effective Date	Date Qualified
All Sections	16-MAR-99	

| [Top](#) | [Actions](#) | [Sponsor, etc.](#) | [Subjects](#) | [Add'l Bill Info](#) | [Eff. Dates](#) | [New Search](#) |

05/03/2005 03:22 PM Mountain Time

[Look Up Bill Information](#)	[Committee and Hearing Information](#)	
[Current House Agenda](#)	[House Journals](#)	[Daily House Floor Actions](#)
[Current Senate Agenda](#)	[Senate Journals](#)	[Daily Senate Floor Actions](#)
[Legislator Information](#)	[Reports Directories](#)	

| [Legislative Branch Home Page](#) | [Current Session Home Page](#) |
[Help](#) | [Webmaster@theBranch](#)

*This Web Site is best viewed using an Internet browser which supports
JavaScript. If desired, download one now.*

*NOTE: Make sure the browser's Preference Settings
are set in order to **accept Cookies!***

MONTANA ONLINE

SENATE BILL NO. 85

INTRODUCED BY HALLIGAN M

BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE PROPERTY TAXATION OF ELECTRICAL GENERATION FACILITIES; CREATING CLASS THIRTEEN PROPERTY TO INCLUDE ELECTRICAL GENERATION FACILITIES; PROVIDING A DEFINITION OF "ELECTRICAL GENERATION FACILITIES"; PROVIDING AN EXCEPTION FOR QUALIFYING SMALL POWER PRODUCTION FACILITIES; TAXING ALL ELECTRICAL GENERATION FACILITIES THAT WERE PREVIOUSLY TAXED UNDER CLASS NINE AS CLASS THIRTEEN PROPERTY; TAXING CLASS THIRTEEN PROPERTY AT 6 PERCENT OF ITS MARKET VALUE; PLACING ALL ELECTRICAL TRANSMISSION AND DISTRIBUTION PROPERTY INTO A SINGLE PROPERTY TAX CLASS; CLARIFYING THE VALUATION OF THAT CLASS OF PROPERTY; IMPOSING A WHOLESALE ENERGY TRANSACTION TAX ON ELECTRIC ENERGY INTRODUCED ONTO STATE TRANSMISSION LINES AT A RATE OF 0.03 CENT PER KILOWATT HOUR OF ELECTRICITY AT THE POINT THAT THE ELECTRICITY IS INTRODUCED ONTO TRANSMISSION LINES IN THE STATE; PROVIDING THAT THE TAX IS PRECOLLECTED BY THE OWNER OF THE TRANSMISSION FACILITY AT WHICH THE INTRODUCTION OCCURS; PROVIDING THAT THE DEPARTMENT OF REVENUE SHALL PROVIDE FOR THE METHOD OF MEASURING ELECTRIC ENERGY BY RULE; PROVIDING FOR THE ADMINISTRATION OF THE TAX; PROVIDING THAT THE PROCEEDS OF THE TAX BE DEPOSITED IN AN ACCOUNT USED TO PARTIALLY REPLACE THE DECREASE IN ELECTRICAL GENERATION PROPERTY TAXES; PROVIDING THAT THE TAX BE APPROVED BY THE ELECTORATE; PROVIDING FOR THE DISTRIBUTION OF THE WHOLESALE ENERGY TRANSACTION TAX REVENUE TO TAXING JURISDICTIONS; REVISING THE CLASSIFICATION OF COUNTIES; REVISING THE DEBT LIMITS OF TAXING JURISDICTIONS; AMENDING SECTIONS 7-1-2111, 7-7-107, 7-7-2101, 7-7-2203, 7-7-4201, 7-7-4202, 7-14-2524, 7-14-2525, 7-16-2327, 7-16-4104, 15-6-135, 15-6-137, 15-6-141, 15-8-111, AND 20-9-406, MCA; AND PROVIDING EFFECTIVE DATES AND AN APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Class eleven property -- description -- taxable percentage. (1) Class

1 eleven property includes all electrical transmission and distribution property owned by an electric utility
2 or a rural cooperative association organized under the laws of Montana, including, if congress passes
3 legislation that allows the state to tax property owned by an agency created by congress to transmit or
4 distribute electric energy, allocations of property constructed, owned, or operated by a public agency
5 created by congress to transmit or distribute electric energy produced at privately owned generating
6 facilities.

7 (2) Class eleven property is taxed at 11% of its market value.

8

9 **NEW SECTION. Section 2. Class thirteen property -- description -- taxable percentage.** (1) Except
10 as provided in subsections (2)(b) and (2)(c), class thirteen property includes all electrical generation
11 facilities, including electrical generation facilities of a centrally assessed electric power company.

12 (2) (a) For the purposes of this section, "electrical generation facilities" means any combinations
13 of a physically connected generator or generators, associated prime movers, and other associated
14 property, including appurtenant land and improvements and personal property, that are normally operated
15 together to produce electric power. The term includes but is not limited to generating facilities that
16 produce electricity from coal-fired steam turbines, oil or gas turbines, or turbine generators that are driven
17 by falling water.

18 (b) The term does not include electrical generation facilities used for noncommercial purposes or
19 exclusively for agricultural purposes.

20 (c) The term also does not include a qualifying small power production facility, as that term is
21 defined in 16 U.S.C. 796(17), that is owned and operated by a person not primarily engaged in the
22 generation or sale of electricity other than electric power from a small power production facility and
23 classified in class four and class eight.

24 (3) Class thirteen property is taxed at 6% of its market value.

25

26 **NEW SECTION. Section 3. Wholesale energy transaction tax.** (1) A wholesale energy transaction
27 tax is imposed upon each person transmitting electric power in this state. The tax is imposed at a rate
28 of 0.03 cent per kilowatt hour of electricity transmitted into or out of the state at the point that the
29 electricity is introduced onto transmission lines in the state of Montana that are not owned by an entity
30 of the United States government.

(2) The taxpayer is the owner of the electricity transmitted within the state, but the tax must be precollected by the owner of the electrical transmission facility at which the electric power is introduced onto transmission lines, as provided in subsection (1). The facility owner shall itemize the amount of taxes payable by the taxpayer and report to the department that amount plus any other information required by the department. Refunds of tax overpayment must be made to the taxpayer, and deficiency assessments are the responsibility of the taxpayer and not the facility owner.

(3) The precollected tax is payable on a quarterly basis, and the amount due, less a 3% administrative fee for its administration of the tax, must be remitted by the facility owner to the department within 30 days after the end of each calendar quarter.

(4) Electricity that is transmitted through the state and electricity that is owned by a governmental agency are not subject to the tax imposed by this section. A taxpayer or governmental agency may apply to the department for refunds of taxes paid on electricity transmitted through the state or on government-owned electricity. The department shall, by rule, establish the forms and procedure for administering the refund.

(5) The proceeds of the tax, less any amount required for refunds, must be deposited in an account provided for in [section 11] for property tax replacement funds.

NEW SECTION. Section 4. Tax records. Each person liable for the tax and each facility owner required to make tax prepayments under [sections 3 through 10] shall keep a record that the department requires, showing the number of kilowatt hours introduced onto transmission lines in the state, the number of kilowatt hours of electricity shipped through the state, and any other information that the department may require.

NEW SECTION. Section 5. Department rules. (1) The department may adopt rules to implement the provisions of [sections 3 through 10].

(2) The rules must address the administration of [sections 3 through 10] and reporting requirements for taxpayers and facility owners prepaying the tax.

(3) The department shall provide by rule the method of measuring electric energy at the time that it is introduced onto taxable transmission lines in the state. The department may adopt a system of measuring the electric energy subject to taxation based upon the carrying capacity of the transmission

1 facility upon which the electric energy is introduced, adjusted by factors relating to the number of
2 customers of the facility and how much of the capacity of the transmission facility remains unused under
3 particular conditions.

4
5 NEW SECTION. Section 6. Deficiency assessment -- review -- interest -- penalty. (1) If the
6 department determines that the amount of tax due is greater than the amount reported, it shall mail to
7 the taxpayer a notice, pursuant to 15-1-211, of the additional tax proposed to be assessed. The taxpayer
8 may seek review of the determination pursuant to 15-1-211.

9 (2) (a) Interest on any deficiency assessment bears interest until paid, at the rate of 1% a month
10 or fraction of a month, computed from the original due date of the return.

11 (b) If payment is not made within 10 days, the tax is delinquent and a penalty of 10% must be
12 added to the amount of the deficiency.

13
14 NEW SECTION. Section 7. Credit for overpayment -- interest on overpayment. (1) If the
15 department determines that the amount of tax, penalty, or interest due for any year is less than the
16 amount paid, the amount of the overpayment must be credited against any tax, penalty, or interest then
17 due from the taxpayer and the balance must be refunded to the taxpayer or its successor through
18 reorganization, merger, or consolidation or to its shareholders upon dissolution.

19 (2) Except as provided in subsection (3), interest must be allowed on overpayments at the same
20 rate as is charged on deficiency assessments provided in 15-53-105 due from the due date of the return
21 or from the date of overpayment, whichever date is later, to the date on which the department approves
22 refunding or crediting of the overpayment.

23 (3) (a) Interest may not accrue during any period that the processing of a claim for refund is
24 delayed more than 30 days by reason of failure of the taxpayer to furnish information requested by the
25 department for the purpose of verifying the amount of the overpayment.

26 (b) Interest may not be allowed:

27 (i) if the overpayment is refunded within 6 months from the date on which the return is due or
28 from the date on which the return is filed, whichever is later; or

29 (ii) if the amount of interest is less than \$1.

30 (c) A payment not made incident to a bona fide and orderly discharge of an actual tax liability or

one reasonably assumed to be imposed by this law may not be considered an overpayment with respect to which interest is allowable.

NEW SECTION. **Section 8. Penalty and interest for delinquency.** Wholesale energy transaction taxes due under [sections 3 through 10] become delinquent if not paid by the electrical transmission facility owner within 30 days after the end of each calendar quarter. The department shall add to the amount of all wholesale energy transaction taxes a penalty of 10% of the amount of the taxes plus interest at the rate of 1% a month or fraction of a month, computed on the total amount of taxes. Interest is computed from the date on which the taxes were due to the date of payment.

NEW SECTION. **Section 9. Estimation of tax upon failure to file statement or pay tax -- notice.** (1) If an electrical transmission facility owner fails, neglects, or refuses to file the statement required by [section 3] within the time required or fails to remit the prepaid tax required by [sections 3 through 10] on or before the date on which payment is due, the department shall proceed to inform itself as best it may regarding the total number of kilowatt hours of electricity introduced onto the owner's facility transmission lines as provided in [section 3].

(2) The department shall compute the amount of prepaid taxes due from the facility owner, less a 3% administration charge due the facility owner, and shall mail to the facility owner a letter and tax assessment statement setting forth the amount of delinquent tax, penalty, and interest due. The letter must advise that if payment is not made, a warrant for distraint may be filed.

(3) The facility owner may bill taxpayers for reimbursement of prepayments made by the facility owner under this section.

NEW SECTION. **Section 10. Statute of limitations.** (1) Except as otherwise provided in this section, a deficiency may not be assessed or collected with respect to the year for which a return is filed unless the notice of additional tax proposed to be assessed is mailed within 5 years from the date on which the return was filed. For the purposes of this section, a return filed before the last day prescribed for filing is considered as filed on the last day. If the taxpayer, before the expiration of the period prescribed for assessment of the tax, consents in writing to an assessment after that time, the tax may be assessed at any time prior to the expiration of the period agreed upon.

(2) A refund or credit may not be allowed or paid with respect to the year for which a return is filed after 5 years from the last day prescribed for filing the return or after 1 year from the date of the overpayment, whichever period expires later, unless before the expiration of the period, the taxpayer files a claim for the refund or credit or the department has determined the existence of the overpayment and has approved a refund or credit. If the taxpayer has agreed in writing under the provisions of subsection (1) to extend the time within which the department may propose an additional assessment, the period within which a claim for a refund or credit may be filed or a credit or refund allowed if a claim is not filed is automatically extended.

(3) If a return is required to be filed and the taxpayer fails to file the return, the tax may be assessed or an action to collect the tax may be brought at any time. If a return is required to be filed and the taxpayer files a fraudulent return, the 5-year period provided for in subsection (1) does not begin until discovery of the fraud by the department.

NEW SECTION. Section 11. Distribution of property tax replacement revenue. (1) There is an account for property tax replacement funds. Tax revenue deposited in the account, as provided in [section 3], must be distributed as provided in this section.

(2) On or before June 1, 2000, the department shall determine a reimbursement ratio associated with reducing the tax rate on electrical generation facilities owned by electric power companies and taxed under 15-6-141, as that section read on December 31, 1998, and provide that information to each county treasurer. The reimbursement ratio must be determined for each taxing jurisdiction that levied mills on the taxable value of electrical generation facilities owned by electric power companies and taxed under 15-6-141 in tax year 1998.

(3) Except as provided in subsection (4), the reimbursement ratio for each taxing jurisdiction to be used as the basis for the reimbursement amount determined in subsection (5) is calculated using the formula $RR = (TV \times ML)/(ST)$, where:

(a) RR is the reimbursement ratio;

(b) TV is the tax year 1998 taxable value of electrical generation facilities in the taxing jurisdiction and ML is the tax year 1998 mill levy in the taxing jurisdiction applied to electrical generation facilities and

(c) ST is the sum of $(TV \times ML)$ for all taxing jurisdictions in the state for tax year 1998.

1 (4) In calculating the reimbursement ratio under subsection (3), the department shall exclude the
2 taxable value of property that is described in subsection (5).

3 (5) (a) If the tax year 2000 assessed value of an electrical generation facility in a taxing jurisdiction
4 that was classified as class nine property under 15-6-141 in tax year 1998 is greater than the assessed
5 value of the electrical generation facility in 1998, then the taxable value of the electrical generation
6 facility in tax year 2000 in the taxing jurisdiction must be subtracted from the taxable value figures used
7 to calculate the reimbursement ratio in subsection (3).

8 (b) For the purposes of this subsection (5), "electrical generation facility" means any combinations
9 of a physically connected generator or generators, associated prime movers, and other associated
10 property that are normally operated together to produce electric power. The term includes but is not
11 limited to generation facilities that produce electricity from coal-fired steam turbines, oil or gas turbines,
12 or turbine generators that are driven by falling water.

13 (6) For each calendar quarter, the department shall determine the amount of tax, late payment
14 interest, and penalty collected under [sections 3 through 10]. The tax year reimbursement amount for
15 each taxing jurisdiction in the state is the product of multiplying the reimbursement ratio determined for
16 the taxing jurisdiction in subsection (3) by the amount available in the account for property tax
17 replacement revenue for redistribution for the calendar quarter.

18 (7) Upon receipt of the reimbursement from the department, the county treasurer shall distribute
19 the reimbursement as calculated by the department to each taxing jurisdiction.

20 (8) For the purposes of this section, "taxing jurisdiction" means a jurisdiction levying mills against
21 electrical generation facilities described in 15-6-141, as that section read on December 31, 1998, and
22 includes but is not limited to a county, city, school district, tax increment financing district, special
23 district, or miscellaneous taxing district and the state of Montana.

24 (9) Each local government taxing jurisdiction receiving reimbursements shall consider the amount
25 of reimbursement that will be received and lower the mill levy otherwise necessary to fund the budget
26 by the amount that would otherwise have to be raised by the mill levy.

27 (10) A local government taxing jurisdiction that ceases to exist after [the effective date of this
28 section] will no longer be considered for revenue loss or reimbursement purposes. A local government
29 taxing jurisdiction that is created after January 1, 2000, may not be considered for revenue loss or
30 reimbursement purposes. If a local government taxing jurisdiction that existed prior to January 2000 is

split between two or more taxing jurisdictions or is annexed to or is consolidated with another taxing jurisdiction, the department shall determine how much of the revenue loss and reimbursement is attributed to the new jurisdictions.

Section 12. Section 7-1-2111, MCA, is amended to read:

"7-1-2111. Classification of counties. (1) For the purpose of regulating the compensation and salaries of all county officers, not otherwise provided for, and for fixing the penalties of officers' bonds, the counties of this state must be classified according to the taxable valuation of the property in the counties upon which the tax levy is made, except for vehicles subject to taxation under 61-3-504, as follows:

(a) first class--all counties having a taxable valuation of \$50 million or more;

(b) second class--all counties having a taxable valuation of \$30 million or more and less than \$50 million;

(c) third class--all counties having a taxable valuation of \$20 million or more and less than \$30 million;

(d) fourth class--all counties having a taxable valuation of \$15 million or more and less than \$20 million;

(e) fifth class--all counties having a taxable valuation of \$10 million or more and less than \$15 million;

(f) sixth class--all counties having a taxable valuation of \$5 million or more and less than \$10 million;

(g) seventh class--all counties having a taxable valuation of less than \$5 million.

(2) As used in this section, "taxable valuation" means the taxable value of taxable property in the county as of the time of determination plus:

(a) that portion of the taxable value of the county on December 31, 1981, attributable to automobiles and trucks having a rated capacity of three-quarters of a ton or less;

(b) that portion of the taxable value of the county on December 31, 1989, attributable to automobiles and trucks having a manufacturer's rated capacity of more than three-quarters of a ton but less than or equal to 1 ton;

(c) that portion of the taxable value of the county on December 31, 1997, attributable to buses.

trucks having a manufacturer's rated capacity of more than 1 ton, and truck tractors;

(d) that portion of the taxable value of the county on December 31, 1997, attributable to trailers, pole trailers, and semitrailers with a declared weight of less than 26,000 pounds;

(e) the value provided by the department of revenue under 15-36-324(13); and

(f) 50% of the taxable value of the county on December 31, 1999, attributable to electrical generation facilities under [section 2]; and

~~(f)~~(g) 6% of the taxable value of the county on January 1 of each tax year."

Section 13. Section 7-7-107, MCA, is amended to read:

"7-7-107. **Limitation on amount of bonds for city-county consolidated units.** (1) Except as provided in 7-7-108, ~~no a~~ city-county consolidated local government may not issue bonds for any purpose ~~which that~~, with all outstanding indebtedness, ~~may~~ exceed 39% of the taxable value of the property ~~therein in the local government~~ subject to taxation, as ascertained by the last assessment for state and county taxes, plus an additional 50% of the taxable value of electrical generation facilities under [section 2] within the local government for tax year 1999, multiplied by 39%.

(2) The issuing of bonds for the purpose of funding or refunding outstanding warrants or bonds is not the incurring of a new or additional indebtedness but is merely the changing of the evidence of outstanding indebtedness."

Section 14. Section 7-7-2101, MCA, is amended to read:

"7-7-2101. **Limitation on amount of county indebtedness.** (1) A county may not become indebted in any manner or for any purpose in an amount, including existing indebtedness, in the aggregate exceeding 23% of the total of the taxable value of the property in the county subject to taxation; plus;

(a) the value provided by the department of revenue in 15-36-324(13), as ascertained by the last assessment for state and county taxes previous to the incurring of the indebtedness; plus;

(b) an additional 50% of the taxable value of electrical generation facilities under [section 2] within the county for tax year 1999, multiplied by 23%; and

~~(c) for indebtedness to be incurred during fiscal year 1997, an additional 11% of the taxable value of class eight property within the county for tax year 1995, for indebtedness to be incurred during fiscal year 1998, an additional 22% of the taxable value of class eight property within the county for tax year~~

1 ~~1995, and for indebtedness to be incurred during fiscal years 1999 through 2008, an additional 33% of~~
2 ~~the taxable value of class eight property within the county for tax year 1995, in each case of class eight~~
3 ~~property, multiplied by 23%.~~

4 (2) A county may not incur indebtedness or liability for any single purpose to an amount
5 exceeding \$500,000 without the approval of a majority of the electors of the county voting at an election
6 to be provided by law, except as provided in 7-7-2402, 7-21-3413, and 7-21-3414.

7 (3) This section does not apply to the acquisition of conservation easements as set forth in Title
8 76, chapter 6."

9
10 **Section 15.** Section 7-7-2203, MCA, is amended to read:

11 **"7-7-2203. Limitation on amount of bonded indebtedness.** (1) Except as provided in subsections
12 (2) through (4) and (3), a county may not issue general obligation bonds for any purpose that, with all
13 outstanding bonds and warrants except emergency bonds, will exceed 11.25% of the total of the taxable
14 value of the property in the county; plus:

15 (a) the value provided by the department of revenue under 15-36-324(13), to be ascertained by
16 the last assessment for state and county taxes prior to the proposed issuance of bonds; ~~plus;~~

17 (b) ~~for general obligation bonds to be issued during fiscal year 1997, an additional 11% of the~~
18 ~~taxable value of class eight property within the county for tax year 1995, for general obligation bonds to~~
19 ~~be issued during fiscal year 1998, an additional 22% of the taxable value of class eight property within~~
20 ~~the county for tax year 1995, and for general obligation bonds to be issued during fiscal years 1999~~
21 ~~through 2008, an additional 33% of the taxable value of class eight property within the county for tax~~
22 ~~year 1995, in each case of class eight property, multiplied by 11.25%; and~~

23 (c) an additional 50% of the taxable value of electrical generation facilities under (section 2)
24 ~~within the county for tax year 1999, multiplied by 11.25%.~~

25 ~~(2) In addition to the bonds allowed by subsection (1), a county may issue bonds that, with all~~
26 ~~outstanding bonds and warrants, will not exceed 27.75% of the total of the taxable value of the property~~
27 ~~in the county subject to taxation, plus the value provided by the department of revenue under~~
28 ~~15-36-324(13), when necessary to do so, to be ascertained by the last assessment for state and county~~
29 ~~taxes, plus, for bonds to be issued during fiscal year 1997, an additional 11% of the taxable value of class~~
30 ~~eight property within the county for tax year 1995, and for bonds to be issued during fiscal year 1998.~~

~~an additional 22% of the taxable value of class eight property within the county for tax year 1995.~~

~~(3)(2)~~ In addition to the bonds allowed by ~~subsections~~ subsection (1) and (2), a county may issue bonds for the construction or improvement of a ~~jail~~ detention center that will not exceed 12.5% of the taxable value of the property in the county subject to taxation, plus the adjustments permitted by ~~7-7-2101~~ subsection (1).

~~(4)(3)~~ The limitation in subsection (1) does not apply to refunding bonds issued for the purpose of paying or retiring county bonds lawfully issued prior to January 1, 1932, or to bonds issued for the repayment of tax protests lost by the county."

Section 16. Section 7-7-4201, MCA, is amended to read:

"7-7-4201. Limitation on amount of bonded indebtedness. (1) Except as otherwise provided, a city or town may not issue bonds or incur other indebtedness for any purpose in an amount that with all outstanding and unpaid indebtedness will exceed 28% of the taxable value of the property in the city or town subject to taxation, to be ascertained by the last assessment for state and county taxes, plus:

~~(a) for bonds to be issued or other indebtedness to be incurred during fiscal year 1997, an additional 11% of the taxable value of class eight property within the city or town for tax year 1995, for bonds to be issued or other indebtedness to be incurred during fiscal year 1998, an additional 22% of the taxable value of class eight property within the city or town for tax year 1995, and for bonds to be issued or other indebtedness to be incurred during fiscal years 1999 through 2008, an additional 33% of the taxable value of class eight property within the city or town for tax year 1995, in each case of class eight property, multiplied by 28%; and~~

(b) an additional 50% of the taxable value of electrical generation facilities under [section 2] within the county for tax year 1999, multiplied by 28%.

(2) The issuing of bonds for the purpose of funding or refunding outstanding warrants or bonds is not the incurring of a new or additional indebtedness but is merely the changing of the evidence of outstanding indebtedness.

(3) The limitation in subsection (1) does not apply to bonds issued for the repayment of tax protests lost by the city or town."

Section 17. Section 7-7-4202, MCA, is amended to read:

1 **"7-7-4202. Special provisions relating to water and sewer systems.** (1) Notwithstanding the
2 provisions of 7-7-4201, for the purpose of constructing a sewer system, procuring a water supply, or
3 constructing or acquiring a water system for a city or town that owns and controls the water supply and
4 water system and devotes the revenue from the water supply and water system to the payment of the
5 debt, a city or town may incur an additional indebtedness by borrowing money or issuing bonds.

6 (2) The additional total indebtedness that may be incurred by borrowing money or issuing bonds
7 for the construction of a sewer system, for the procurement of a water supply, or for both of the
8 purposes, including all indebtedness that is contracted and that is unpaid or outstanding, may not in the
9 aggregate exceed 55% ~~over and above of~~ the 28%, debt limitation referred to in 7-7-4201, of the taxable
10 value of the property in the city or town subject to taxation, to be ascertained by the last assessment for
11 state and county taxes, plus;

12 ~~(a) for indebtedness to be incurred during fiscal year 1997, an additional 11% of the taxable value~~
13 ~~of class eight property within the city or town for tax year 1995, for indebtedness to be incurred during~~
14 ~~fiscal year 1998, an additional 22% of the taxable value of class eight property within the city or town~~
15 ~~for tax year 1995, and for indebtedness to be incurred during fiscal years 1999 through 2008, an~~
16 ~~additional 33% of the taxable value of class eight property within the city or town for tax year 1995, in~~
17 ~~each case of class eight property, multiplied by 55%; and~~

18 (b) an additional 50% of the taxable value of electrical generation facilities under [section 2]
19 within the county for tax year 1999, multiplied by 55%."

20
21 Section 18. Section 7-14-2524, MCA, is amended to read:

22 **"7-14-2524. Limitation on amount of bonds issued -- excess void.** (1) Except as otherwise
23 provided in 7-7-2203, 7-7-2204, and this section, a county may not issue bonds that, with all outstanding
24 bonds and warrants except emergency bonds, will exceed 11.25% of the total of the taxable value of the
25 property in the county, plus;

26 (a) the value provided by the department of revenue under 15-36-324(13). The taxable property
27 and the amount of taxes levied on new production, production from horizontally completed wells, and
28 incremental production must be ascertained by the last assessment for state and county taxes prior to
29 the issuance of the bonds.

30 (b) an additional 50% of the taxable value of electrical generation facilities under [section 2]

within the county for tax year 1999, multiplied by 11.25%.

(2) A county may issue bonds that, with all outstanding bonds and warrants, will exceed 11.25% but will not exceed 22.5% of the total of the taxable value of the property; plus an additional 50% of the taxable value of electrical generation facilities under [section 2] within the county for tax year 1999, multiplied by the amount that exceeds 11.25% but does not exceed 22.5%, plus the value provided by the department of revenue under 15-36-324(13) when necessary for the purpose of replacing, rebuilding, or repairing county buildings, bridges, or highways that have been destroyed or damaged by an act of God or by a disaster, catastrophe, or accident.

(3) The value of the bonds issued and all other outstanding indebtedness of the county may not exceed 22.5% of the total of the taxable value of the property within the county, ~~plus the value provided by the department of revenue under 15-36-324(13), as ascertained by the last preceding general assessment~~ as adjusted in this section."

Section 19. Section 7-14-2525, MCA, is amended to read:

"7-14-2525. Refunding agreements and refunding bonds authorized. (1) Whenever the total indebtedness of a county exceeds 22.5% of the total of the taxable value of the property in the county, ~~plus the value provided by the department of revenue under 15-36-324(13)~~ as adjusted in 7-14-2524, and the board determines that the county is unable to pay the indebtedness in full, the board may:

(a) negotiate with the bondholders for an agreement under which the bondholders agree to accept less than the full amount of the bonds and the accrued unpaid interest in satisfaction of the bonds;

(b) enter into the agreement;

(c) issue refunding bonds for the amount agreed upon.

(2) These bonds may be issued in more than one series, and each series may be either amortization or serial bonds.

(3) The plan agreed upon between the board and the bondholders must be embodied in full in the resolution providing for the issuance of the bonds."

Section 20. Section 7-16-2327, MCA, is amended to read:

"7-16-2327. Indebtedness for park purposes. (1) Subject to the provisions of subsection (2), a county park board, in addition to powers and duties now given under law, may contract an indebtedness

1 in behalf of a county, upon the credit of the county, in order to carry out its powers and duties.

2 (2) (a) The total amount of indebtedness authorized to be contracted in any form, including the
3 then-existing indebtedness, may not at any time exceed 13% of the total of the taxable value of the
4 taxable property in the county, as ascertained by the last assessment for state and county taxes previous
5 to the incurring of the indebtedness, plus:

6 (i) the value provided by the department of revenue under 15-36-324(13), ~~ascertained by the last~~
7 ~~assessment for state and county taxes previous to the incurring of the indebtedness; and~~

8 (ii) an additional 50% of the taxable value of electrical generation facilities under [section 2] within
9 the county for tax year 1999, multiplied by 13%.

10 (b) Money may not be borrowed on bonds issued for the purchase of lands and improving the land
11 for any purpose until the proposition has been submitted to the vote of those qualified under the
12 provisions of the state constitution to vote at the election in the affected county and a majority vote is
13 cast in favor of the bonds."

14
15 **Section 21. Section 7-16-4104, MCA, is amended to read:**

16 **"7-16-4104. Authorization for municipal indebtedness for various cultural, social, and recreational**
17 **purposes. (1) A city or town council or commission may contract an indebtedness on behalf of the city**
18 **or town, upon the credit of the city or town, by borrowing money or issuing bonds:**

19 (a) for the purpose of purchasing and improving lands for public parks and grounds;

20 (b) for procuring by purchase, construction, or otherwise swimming pool facilities, athletic fields,
21 skating rinks, playgrounds, museums, a golf course, a site and building for a civic center, a youth center,
22 or any combination of these facilities; and

23 (c) for furnishing, equipping, repairing, or rehabilitating a swimming pool facility, athletic field,
24 skating rink, playground, museum, golf course, civic center, or youth center.

25 (2) The total amount of indebtedness authorized to be contracted in any form, including the
26 then-existing indebtedness, may not at any time exceed 16.5% of the taxable value of the taxable
27 property of the city or town, as ascertained by the last assessment for state and county taxes previous
28 to the incurring of the indebtedness, plus an additional 50% of the taxable value of electrical generation
29 facilities under [section 2] within the county for tax year 1999, multiplied by 16.5%. Money may not be
30 borrowed for any purpose on bonds issued for the purchase of lands and improving the land until the

1 proposition has been submitted to the vote of the qualified electors of the city or town and a majority vote
2 is cast in favor of the proposition."

3
4 **Section 22.** Section 15-6-135, MCA, is amended to read:

5 **"15-6-135. Class five property -- description -- taxable percentage.** (1) Class five property
6 includes:

7 (a) all property used and owned by cooperative rural electrical and cooperative rural telephone
8 associations organized under the laws of Montana, except;

9 (i) electrical transmission and distribution property described in [section 1]; and

10 (ii) property owned by cooperative organizations described in 15-6-137(1)(b);

11 (b) air and water pollution control equipment as defined in this section;

12 (c) new industrial property as defined in this section;

13 (d) any personal or real property used primarily in the production of gasohol during construction
14 and for the first 3 years of its operation;

15 (e) all land and improvements and all personal property owned by a research and development
16 firm, provided that the property is actively devoted to research and development;

17 (f) machinery and equipment used in electrolytic reduction facilities.

18 (2) (a) "Air and water pollution control equipment" means that portion of identifiable property,
19 facilities, machinery, devices, or equipment designed, constructed, under construction, or operated for
20 removing, disposing, abating, treating, eliminating, destroying, neutralizing, stabilizing, rendering inert,
21 storing, or preventing the creation of air or water pollutants that, except for the use of the item, would
22 be released to the environment. Reduction in pollutants obtained through operational techniques without
23 specific facilities, machinery, devices, or equipment is not eligible for certification under this section.

24 (b) Requests for certification must be made on forms available from the department of revenue.
25 Certification may not be granted unless the applicant is in substantial compliance with all applicable rules,
26 laws, orders, or permit conditions. Certification remains in effect only as long as substantial compliance
27 continues.

28 (c) The department of environmental quality shall promulgate rules specifying procedures,
29 including timeframes for certification application, and definitions necessary to identify air and water
30 pollution control equipment for certification and compliance. The department of revenue shall promulgate

1 rules pertaining to the valuation of qualifying air and water pollution control equipment. The department
2 of environmental quality shall identify and track compliance in the use of certified air and water pollution
3 control equipment and report continuous acts or patterns of noncompliance at a facility to the department
4 of revenue. Casual or isolated incidents of noncompliance at a facility do not affect certification.

5 (d) A person may appeal the certification, classification, and valuation of the property to the state
6 tax appeal board. Appeals on the property certification must name the department of environmental
7 quality as the respondent, and appeals on the classification or valuation of the equipment must name the
8 department of revenue as the respondent.

9 (3) (a) "New industrial property" means any new industrial plant, including land, buildings,
10 machinery, and fixtures, used by new industries during the first 3 years of their operation. The property
11 may not have been assessed within the state of Montana prior to July 1, 1961.

12 (b) New industrial property does not include:

13 (i) property used by retail or wholesale merchants, commercial services of any type, agriculture,
14 trades, or professions unless the business or profession meets the requirements of subsection (4)(b)(v);

15 (ii) a plant that will create adverse impact on existing state, county, or municipal services; or

16 (iii) property used or employed in an industrial plant that has been in operation in this state for
17 3 years or longer.

18 (4) (a) "New industry" means any person, corporation, firm, partnership, association, or other
19 group that establishes a new plant in Montana for the operation of a new industrial endeavor, as
20 distinguished from a mere expansion, reorganization, or merger of an existing industry.

21 (b) New industry includes only those industries that:

22 (i) manufacture, mill, mine, produce, process, or fabricate materials;

23 (ii) do similar work, employing capital and labor, in which materials unserviceable in their natural
24 state are extracted, processed, or made fit for use or are substantially altered or treated so as to create
25 commercial products or materials;

26 (iii) engage in the mechanical or chemical transformation of materials or substances into new
27 products in the manner defined as manufacturing in the 1987 Standard Industrial Classification Manual
28 prepared by the United States office of management and budget;

29 (iv) engage in the transportation, warehousing, or distribution of commercial products or materials
30 if 50% or more of an industry's gross sales or receipts are earned from outside the state; or

1 (v) earn 50% or more of their annual gross income from out-of-state sales.

2 (5) Class five property is taxed at 3% of its market value."

3
4 **Section 23.** Section 15-6-137, MCA, is amended to read:

5 **"15-6-137. Class seven property -- description -- taxable percentage.** (1) Class seven property
6 includes:

7 (a) all property used and owned by persons, firms, corporations, or other organizations that are
8 engaged in the business of furnishing telephone communications exclusively to rural areas or to rural areas
9 and cities and towns of 800 persons or less;

10 (b) all property owned by cooperative rural electrical and cooperative rural telephone associations
11 that serve less than 95% of the electricity consumers or telephone users within the incorporated limits
12 of a city or town, except ~~rural electric cooperative properties described in 15-6-141(1)(a)~~ electrical
13 transmission and distribution property described in [section 1];

14 (c) electric transformers and meters; electric light and power substation machinery; natural gas
15 measuring and regulating station equipment, meters, and compressor station machinery owned by
16 noncentrally assessed public utilities; and tools used in the repair and maintenance of this property.

17 (2) To qualify for this classification, the average circuit miles for each station on the telephone
18 communication system described in subsection (1)(b) must be more than 1 mile.

19 (3) Class seven property is taxed at 8% of its market value."

20
21 **Section 24.** Section 15-6-141, MCA, is amended to read:

22 **"15-6-141. Class nine property -- description -- taxable percentage.** (1) Class nine property
23 includes:

24 (a) centrally assessed electric power companies' allocations, ~~including, if congress passes~~
25 ~~legislation that allows the state to tax property owned by an agency created by congress to transmit or~~
26 ~~distribute electrical energy, allocations of properties constructed, owned, or operated by a public agency~~
27 ~~created by the congress to transmit or distribute electric energy produced at privately owned generating~~
28 ~~facilities, not including rural electric cooperatives. However, rural electric cooperatives' property used for~~
29 ~~the sole purpose of serving customers representing less than 95% of the electric consumers located~~
30 ~~within the incorporated limits of a city or town of more than 3,500 persons in which a centrally assessed~~

~~electric power company also owns property is included. For purposes of this subsection (1)(a), "property used for the sole purpose" does not include a headquarters, office, shop, or other similar facility;~~

(b) allocations for centrally assessed natural gas companies having a major distribution system in this state; and

(c) centrally assessed companies' allocations, except:

(i) electric power ~~and natural gas~~ companies' electrical generation facility property included in class thirteen;

(ii) property owned by cooperative rural electric and cooperative rural telephone associations and classified in class five;

(iii) property owned by organizations providing telephone communications to rural areas and classified in class seven;

(iv) electrical transmission and distribution property described in [section 1];

~~(v)~~ (v) railroad transportation property included in class twelve; and

~~(vi)~~ (vi) airline transportation property included in class twelve.

(2) Class nine property is taxed at 12% of market value."

Section 25. Section 15-8-111, MCA, is amended to read:

"15-8-111. Assessment -- market value standard -- exceptions. (1) All taxable property must be assessed at 100% of its market value except as otherwise provided.

(2) (a) Market value is the value at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts.

(b) If the department uses construction cost as one approximation of market value, the department shall fully consider reduction in value caused by depreciation, whether through physical depreciation, functional obsolescence, or economic obsolescence.

(c) Except as provided in subsection (3), the market value of special mobile equipment and agricultural tools, implements, and machinery is the average wholesale value shown in national appraisal guides and manuals or the value before reconditioning and profit margin. The department shall prepare valuation schedules showing the average wholesale value when a national appraisal guide does not exist.

(3) The department may not adopt a lower or different standard of value from market value in

making the official assessment and appraisal of the value of property, except:

(a) the wholesale value for agricultural implements and machinery is the average wholesale value category as shown in Guides 2000, Northwest Region Official Guide, published by the North American equipment dealers association, St. Louis, Missouri. If the guide or the average wholesale value category is unavailable, the department shall use a comparable publication or wholesale value category.

(b) for agricultural implements and machinery not listed in an official guide, the department shall prepare a supplemental manual in which the values reflect the same depreciation as those found in the official guide; and

(c) as otherwise authorized in Titles 15 and 61.

(4) For purposes of taxation, assessed value is the same as appraised value.

(5) The taxable value for all property is the percentage of market or assessed value established for each class of property.

(6) The assessed value of properties in 15-6-131 through 15-6-133 is as follows:

(a) Properties in 15-6-131, under class one, are assessed at 100% of the annual net proceeds after deducting the expenses specified and allowed by 15-23-503 or, if applicable, as provided in 15-23-515, 15-23-516, 15-23-517, or 15-23-518.

(b) Properties in 15-6-132, under class two, are assessed at 100% of the annual gross proceeds.

(c) Properties in 15-6-133, under class three, are assessed at 100% of the productive capacity of the lands when valued for agricultural purposes. All lands that meet the qualifications of 15-7-202 are valued as agricultural lands for tax purposes.

(d) Properties in 15-6-143, under class ten, are assessed at 100% of the forest productivity value of the land when valued as forest land.

(7) Land and the improvements on the land are separately assessed when any of the following conditions occur:

(a) ownership of the improvements is different from ownership of the land;

(b) the taxpayer makes a written request; or

(c) the land is outside an incorporated city or town.

(8) The market value of electrical transmission and distribution properties under class eleven is determined individually for each taxpayer based upon individual taxpayer factors that determine market value, including numbers of electrical customers served, taxpayer revenue, and amount of depreciated

1 taxpayer investment. Component values may not be averaged or aggregated classwide to be used in
2 determining market values for all taxpayers with property in class eleven."

3
4 **Section 26.** Section 20-9-406, MCA, is amended to read:

5 **"20-9-406. Limitations on amount of bond issue.** (1) (a) Except as provided in subsection ~~(1)(c)~~
6 ~~(1)(d)~~, the maximum amount for which an elementary district or a high school district may become
7 indebted by the issuance of bonds, including all indebtedness represented by outstanding bonds of
8 previous issues and registered warrants, is 45% of the taxable value of the property subject to taxation,
9 to be ascertained by the last-completed assessment for state, county, and school taxes previous to the
10 incurring of the indebtedness, plus;

11 ~~(i) for bonds to be issued during fiscal year 1997, an additional 11% of the taxable value of class~~
12 ~~eight property within the district for tax year 1995, for bonds to be issued during fiscal year 1998, an~~
13 ~~additional 22% of the taxable value of class eight property within the district for tax year 1995, and for~~
14 ~~bonds to be issued during fiscal years 1999 through 2008, an additional 33% of the taxable value of class~~
15 ~~eight property within the district for tax year 1995, in each case of class eight property, multiplied by~~
16 ~~45%; and~~

17 (ii) an additional 50% of the taxable value of electrical generation facilities under [section 2]
18 within the district for tax year 1999, multiplied by 45%.

19 (b) Except as provided in subsection ~~(1)(c)~~ (1)(d), the maximum amount for which a K-12 school
20 district, as formed pursuant to 20-6-701, may become indebted by the issuance of bonds, including all
21 indebtedness represented by outstanding bonds of previous issues and registered warrants, is up to 90%
22 of the taxable value of the property subject to taxation, to be ascertained by the last-completed
23 assessment for state, county, and school taxes previous to the incurring of the indebtedness, plus;

24 ~~(i) for bonds to be issued during fiscal year 1997, an additional 11% of the taxable value of class~~
25 ~~eight property within the district for tax year 1995, for bonds to be issued during fiscal year 1998, an~~
26 ~~additional 22% of the taxable value of class eight property within the district for tax year 1995, and for~~
27 ~~bonds to be issued during fiscal years 1999 through 2008, an additional 33% of the taxable value of class~~
28 ~~eight property within the district for tax year 1995, in each case of class eight property, multiplied by~~
29 ~~90%; and~~

30 (ii) an additional 50% of the taxable value of electrical generation facilities under [section 2] within

1 the district for tax year 1999, multiplied by 90%.

2 (c) The total indebtedness of the high school district with an attached elementary district must
3 be limited to the sum of 45% of the taxable value of the property for elementary school program purposes
4 and 45% of the taxable value of the property for high school program purposes, adjusted as provided in
5 this section.

6 ~~(c)~~(d) (i) The maximum amount for which an elementary district or a high school district with a
7 district mill value per elementary ANB or per high school ANB that is less than the corresponding
8 statewide mill value per elementary ANB or per high school ANB may become indebted by the issuance
9 of bonds, including all indebtedness represented by outstanding bonds of previous issues and registered
10 warrants, is 45% of the corresponding statewide mill value per ANB times 1,000 times the ANB of the
11 district. For a K-12 district, the maximum amount for which the district may become indebted is 45% of
12 the sum of the statewide mill value per elementary ANB times 1,000 times the elementary ANB of the
13 district and the statewide mill value per high school ANB times 1,000 times the high school ANB of the
14 district.

15 (ii) If mutually agreed upon by the affected districts, for the purpose of calculating its maximum
16 bonded indebtedness under this subsection ~~(c)~~ (1)(d), a district may include the ANB of the district plus
17 the number of students residing within the district for which the district or county pays tuition for
18 attendance at a school in an adjacent district. The receiving district may not use out-of-district ANB for
19 the purpose of calculating its maximum indebtedness if the out-of-district ANB has been included in the
20 ANB of the sending district pursuant to the mutual agreement.

21 (2) The maximum amounts determined in subsection (1), however, may not pertain to
22 indebtedness imposed by special improvement district obligations or assessments against the school
23 district or to bonds issued for the repayment of tax protests lost by the district. All bonds issued in excess
24 of the amount are void, except as provided in this section.

25 (3) When the total indebtedness of a school district has reached the limitations prescribed in this
26 section, the school district may pay all reasonable and necessary expenses of the school district on a cash
27 basis in accordance with the financial administration provisions of this chapter.

28 (4) Whenever bonds are issued for the purpose of refunding bonds, any money to the credit of
29 the debt service fund for the payment of the bonds to be refunded is applied toward the payment of the
30 bonds and the refunding bond issue is decreased accordingly."

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

NEW SECTION. **Section 27. Codification instruction.** (1) [Sections 1 and 2] are intended to be codified as an integral part of Title 15, chapter 6, part 1, and the provisions of Title 15, chapter 6, part 1, apply to [sections 1 and 2].

(2) [Sections 3 through 10] are intended to be codified as an integral part of Title 15, and the provisions of Title 15 apply to [sections 3 through 10].

(3) [Section 11] is intended to be codified as an integral part of Title 15, chapter 1, and the provisions of Title 15, chapter 1, apply to [section 11].

NEW SECTION. **Section 28. Contingent voidness.** (1) If Constitutional Initiative No. 75, enacting Article VIII, section 17, of the Montana constitution, is declared invalid, then [sections 1 and 3] are effective on the date of the determination of invalidity.

(2) If either [LC 541] or [LC 1046] is submitted to and not approved by the electorate, then [this act] is void.

NEW SECTION. **Section 29. Effective dates.** (1) Except as provided in subsection (2), [this act] is effective on January 1, 2000.

(2) [Sections 1 and 3] are effective upon the occurrence of the contingency provided for in [section 28(1)].

NEW SECTION. **Section 30. Applicability.** If approved by the electorate, [this act] applies to tax years beginning after December 31, 1999.

- END -

FISCAL NOTE

Bill #: SB0085

Title: Tax of elect. generators and
transmission facilities – tax elec.
transmission

Primary
Sponsor: Mike Halligan

Status: As introduced

Sponsor signature _____ Date _____
Dave Lewis, Budget Director 1-30-99

Fiscal Summary

	<u>FY2000 Difference</u>	<u>FY2001 Difference</u>
Expenditures:		
General Fund	\$49,869	(\$106,943)
Revenue:		
General Fund	1,624,250	(3,569,554)
State Special (U Sys)	102,584	(225,445)
Net Impact on General Fund Balance:	\$1,574,381	(\$3,463,011)

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
X		Significant Local Gov. Impact	X		Technical Concerns
	X	Included in the Executive Budget	X		Significant Long-Term Impacts

Fiscal Analysis

ASSUMPTIONS:

Property Taxes

1. The proposal is effective January 1, 2000.
2. There is no property tax impact from this legislation in FY2000. The full property tax impact of this legislation will occur in FY2001.
3. Costs of submitting these taxes to the electorate are included in SB86
4. Investor-owned utility electrical transmission and distribution property is moved from class 9, which is taxed at 12% of its market value, to class 11 and taxed at 11% of its market value. Rural cooperative association electrical transmission and distribution property is moved from class 5, which is taxed at 3% of its market value, to class 11 and taxed at 11% of its market value.

SB 85

(continued)

5. All property owned by rural electrical cooperative associations that serve less than 95% of the electricity consumers within the incorporated limits of a city or town is removed from class 7, which is taxed at 8% of its market value, and placed in property tax class 11 and taxed at 11% of its market value. There was no rural cooperative association electrical transmission and distribution property in class 7 in 1998.
6. All property owned by rural electrical cooperative associations used for the sole purpose of serving customers representing less than 95% of the electricity consumers within the incorporated limits of a city or town of more than 3,500 persons in which a centrally assessed electric power company owns property is removed from class 9, which is taxed at 12% of its market value, and placed in property tax class 11 and taxed at 11% of its market value.
7. For the purpose of this fiscal note, there is no adjustment to the market value as discussed in Section 25, subsection 8 of this bill. The language in this subsection is too vague to make an analysis.
8. All electrical generation facilities, except electrical generation facilities used for noncommercial purposes, exclusive agricultural purposes, or qualifying small power production facilities are moved from class 9 which is taxed at 12% of its market value, to class 13 and taxed at 6% of its market value.
9. Rural electric cooperatives do not have generating facilities, except for one small generator owned by Lincoln Electric Cooperative.
10. The assessed value for class 9 electrical generation facilities is not greater in FY2000 or FY2001 than the assessed value in 1998.
11. The pending sale of electric generation facilities in the state is not complete at this time. The 1998 market value of electric generation facilities, electrical distribution and transmission property, and other class 12 property is used to calculate fiscal impacts for FY2001.
12. In 1998, the taxable valuation of investor-owned electrical generation facilities was \$172,046,598. Property taxes for these facilities totaled \$33,567,759 and were distributed \$16,344,427 to the state general fund; \$1,032,280 to the university account; and \$16,191,052 to local governments and schools. Under this proposal, the taxable valuation rate is reduced from 12% to 6%, resulting in a reduction in revenue of \$8,172,214 to the state general fund; \$516,140 to the university account; and \$8,095,526 to the local governments and schools.
13. In 1998, the taxable valuation of the single rural cooperative association electrical generation facility was \$74,466. Property taxes for this facility totaled \$24,866 and were distributed \$7,074 to the state general fund; \$447 to the university account; and \$17,345 to local governments and schools. Under this proposal, the taxable valuation rate is increased from 3% to 6%, resulting in an increase in revenue of \$7,074 to the state general fund; \$447 to the university account; and \$17,345 to the local governments and schools.
14. In 1998, the taxable valuation of investor-owned electrical transmission and distribution property was \$102,030,537. Property taxes for this property totaled \$35,863,291 and were distributed \$9,692,902 to the state general fund; \$612,184 to the university account; and \$25,558,205 to local governments and schools. Under this proposal, the taxable valuation rate is reduced from 12% to 11%, resulting in a reduction in revenue of \$807,743 to the state general fund; \$51,016 to the university account; and \$2,133,957 to the local governments and schools.
15. In 1998, the taxable valuation of rural cooperative association electrical transmission and distribution property was \$8,426,313. Property taxes for this property totaled \$3,047,751 and were distributed \$800,500 to the state general fund; \$50,558 to the university account; and \$2,196,693 to local governments and schools. Under this proposal, the taxable valuation rate is increased from 3% to 11%, resulting in an increase in revenue of \$2,134,662 to the state general fund; \$134,821 to the university account; and \$5,857,824 to the local governments and schools.
16. In 1998, the taxable valuation of other class 12 rural electrical cooperative association property was \$85,239. Property taxes for this property totaled \$38,559 and were distributed \$8,098 to the state general

(continued)

- fund; \$511 to the university account; and \$29,950 to local governments and schools. Under this proposal, the taxable valuation rate is reduced from 12% to 11%, resulting in a reduction in revenue of \$675 to the state general fund; \$42 to the university account; and \$2,496 to the local governments and schools.
17. The reduced property tax revenues are heavily weighted towards the general fund because most of the property tax reduction is located at Colstrip where the state mill levies produce more than local mill levies.
 18. The FY2001 total reduction in property tax revenues is estimated to be \$6,838,896 for the general fund, \$431,930 for the university system and \$4,356,810 for county and local taxes.

Wholesale Energy Transaction Tax

19. A wholesale energy transaction tax is imposed on the transmission of all electricity into or out of the state on transmission lines not owned by an entity of the United States Government. The tax is imposed at a rate of 0.03 cent per kilowatt-hour.
20. There is no available data on kilowatt transmission imported into the state. Only data for in-state generation of electricity is used to estimate the wholesale energy transaction tax (source-HJR2). For the purpose of this fiscal note, the growth rate of in-state electrical production is estimated to be 1% per fiscal year (source-HJR2). Facility owners are permitted to retain 3% of the collected tax as an administrative fee.
21. In FY2000, in-state generating facilities are estimated to produce 22,926,755,000 kilowatt hours (kwh). In FY2001, in-state generating facilities are estimated to produce 23,073,843,000 kwh. A wholesale energy transaction tax of .03 cent per kilowatt-hour, minus the 3% administrative fee, produces an estimated \$3,335,843 in tax revenues in FY2000 and an estimated \$6,714,488 in FY2001.

Wholesale Energy Transaction Tax – Reimbursement

22. Wholesale energy transactions taxes collected under this bill are used to provide reimbursements to taxing jurisdictions experiencing a reduction in taxable value due to changing the taxable valuation rate of electrical generation facilities owned by electric power companies and taxed under 15-6-141 in tax year 1998. Reimbursements are made in proportion to each taxing jurisdiction's share of total property taxes collected on this property in tax year 1998.
23. In tax year 1998, property taxes on generation property totaled \$33,567,759 with the state general fund receiving \$16,344,427 (48.69%); the 6-mill university account receiving \$1,032,280 (3.08%); and local governments, including schools, receiving \$16,191,052 (48.23%).
24. There will be \$3,335,843 in revenue in FY2000. The above assumptions result in wholesale energy transaction tax reimbursements in FY2000 of \$1,624,250 to the state general fund; \$102,584 to the university system; and \$1,609,008 to local governments and schools. In FY2001, the wholesale energy transaction tax is distributed \$3,269,341 to the state general fund; \$206,485 to the university system; and \$3,238,662 to local governments and schools.
25. The net FY2001 fiscal impact (property tax loss + wholesale transaction tax redistribution) is estimated to be \$3,569,554 to the general fund, \$225,445 to the universities, and \$1,118,148 to the counties.

GTB Funding

26. The change in taxable values will cause school districts to change GTB levies in FY2001 to maintain minimum budgets required under section 20-9-308(1)(a), MCA (see technical note # 2). The change will decrease by \$147,493 the amount of state GTB aid in FY2001.

(continued)

Administrative Impacts

27. The proposal would create one position to administer and audit the wholesale energy transaction tax or total cost of \$39,152 in FY2000 and \$38,878 in FY2001.

28. The proposal would create operating expenses of \$8,717 in FY2000 and \$2,522 in FY2001.

29. The proposal would create equipment expenses of \$ 2,000 in FY2000 and \$0 in FY2001.

<u>FISCAL IMPACT:</u>	<u>FY2000</u>	<u>FY2001</u>
	<u>Difference</u>	<u>Difference</u>
FTE	1.00	1.00
<u>Expenditures:</u>		
Personal Services	\$39,152	\$38,878
Operating Expenses	8,717	2,522
Equipment	2,000	0
State GTB Aid	0	(147,943)
TOTAL	\$49,869	(\$106,543)
<u>Funding:</u>		
General Fund (01)	\$49,869	\$(106,543)
<u>Revenues:</u>		
General Fund (01)	\$1,624,250	(\$3,569,554)
State Special (U SYS)	\$102,584	(\$225,445)
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
General Fund (01)	\$1,574,381	(\$3,463,011)
State Special Revenue (02)	\$102,584	(\$225,445)

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

In FY2000, local governments and schools would receive an initial reimbursement of \$1,609,008 wholesale energy transaction funds. In FY2001, local governments and schools would receive a reimbursement of \$3,238,662, but they would experience property tax reductions of \$4,356,810 for a net loss of \$1,118,148. This net loss would carry over into future years.

LONG-RANGE IMPACTS:

The shortfall between property tax reductions and wholesale transaction energy redistribution payments is approximately \$6.7 million in FY01. Under the proposal, this shortfall will continue each year into the future.

TECHNICAL NOTES:

1. There is no section that defines technical terms. For example the terms transmission and distribution are not defined. Interstate capabilities of transmission facilities come under the domain of the Federal Energy Regulatory Commission (FERC). Distribution facilities typically have come under the review of state regulatory agencies, including the Public Service Commission in Montana. This bill blurs the line of distinction between the regulatory agencies although FERC has issued orders deferring some authority to the states

(continued)

2. School districts are required to budget at the BASE level under section 20-9-308 (1)(a), MCA. With the reduction in taxable values under this bill, provisions of CI-75 will require voter approval to increase tax rates to continue to meet the minimum budget requirement. If voters do not approve the increase, the district will be in violation of section 20-9-308, MCA.
3. The wholesale energy transaction tax is to be applied when the electricity enters a privately owned transmission system (see section 3 of the proposal). Line flow into a point on the transmission grid system is difficult to determine. Actual electrical flow and contractual delivery amounts are different. Because electricity is lost during its transmission from one area to another, a tax applied to the electricity where it is introduced into the transmission/distribution system will collect more funds than a tax imposed where the electricity exits the system.
4. The potential exists for transmission lines to be managed by an independent grid operator under the requirements of FERC Order 888 and 889. If this occurs, the transmission line owners may not know all the users on their system.
5. Electric utility property will be placed in one of several property tax classes. In some instances, it will be difficult to determine what is electrical generating equipment and what is transmission and distribution equipment.
6. Sections 6, 7 and 8 conflict with language concerning penalty and interest in HB 132. The purpose of HB 132 is to standardize penalty and interest applied to taxes. Also, the reference to interest on overpayments should tie back to HB 132, section one, so that interest on overpayments remains consistent with interest on deficiencies.
7. Section 11 refers to the distribution of "tax revenue". It is not clear if the intention is to include penalties, and interest in the distribution.
8. The proposal does not provide appropriation authority.
9. Sections 23 and 24 eliminate SB 390 language that was passed by the 1997 Legislature for electric cooperative property that falls under the provisions of Section 15-6-141, MCA. That section required electric cooperative property that was in competition with an investor-owned utility to be placed in property tax class 9. The intent of SB 390 is no longer in place.
10. No provisions were made to address electric cooperatives owning generation facilities. The state currently has one cooperative with generation facilities. In a deregulated market, more cooperatives may move into the generation arena.
11. Section 25, subsection 8 attempts to determine market value for each taxpayer under class 11 property using several criteria. However, the subsection is vague and unclear.

MINUTES

**MONTANA SENATE
56th LEGISLATURE - REGULAR SESSION**

COMMITTEE ON TAXATION

Call to Order: By **VICE-CHAIRMAN BOB DEPRATU**, on January 11, 1999
at 8:00 A.M., in Room 413/415 Capitol.

ROLL CALL

Members Present:

Sen. Gerry Devlin, Chairman (R)
Sen. Bob DePratu, Vice Chairman (R)
Sen. John C. Bohlinger (R)
Sen. Dorothy Eck (D)
Sen. E. P. "Pete" Ekegren (R)
Sen. Alvin Ellis Jr. (R)
Sen. Bill Glaser (R)
Sen. Barry "Spook" Stang (D)

Members Excused: Sen. Jon Ellingson (D)

Members Absent: None

Staff Present: Sandy Barnes, Committee Secretary
Lee Heiman, Legislative Branch

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: SB 25, 1/11/1999; SB 88,
1/11/1999; SB 61,
1/11/1999

Executive Action: None

HEARING ON SB 25

Sponsor: SENATOR DARYL TOEWS, SD 48, LUSTRE, MT

Proponents: None

HEARING ON SB 88

Sponsor: SENATOR BARRY "SPOOK" STANG, SD 36, ST. REGIS

Proponents: Brenda Nordlund, Department of Justice

Pat McKelvey, State Tax Appeal Board

Opponents: None

Opening Statement by Sponsor:

SENATOR BARRY "SPOOK" STANG, SD 36, St. Regis, summarized SB 88 as being a proposal requested by the Department of Justice which rectifies a situation created by the last session wherein taxes assessed against motor vehicles were taken out the Department of Revenue and moved to the Department of Justice. He said this proposed legislation would provide that the Department of Justice would be the proper party to defend tax appeals involving motor vehicle taxes or fees in lieu of tax. It would also create a procedure for motor vehicle tax appeals, and would provide that protested motor vehicle taxes and fees need not be paid into the property tax protest fund. It would also provide for the refund of motor vehicle taxes and fees when the taxpayer prevails in an appeal.

SEN. STANG indicated that this legislation may need to be modified should other legislation before the session be passed which also affects how this process would be handled.

Proponents' Testimony:

Brenda Nordlund, Department of Justice, provided a fact sheet explaining the reasons behind this particular legislation EXHIBIT(tas07a01) and a list of 1997 vehicle tax appeals received by the Department of Justice EXHIBIT(tas07a02). Ms. Nordlund explained that the 1997 Legislature changed the way passenger cars, light trucks, vans and sport utility vehicles are valued for tax purposes. The new system uses a vehicle's "manufacturer's suggested retail price" as the benchmark for vehicle valuation and then depreciates the value to reflect the vehicle's age. She said the law also transferred the function of assessing vehicles for tax purposes from the county assessor to the Department of Justice. However, the legislation overlooked the need to realign the duty to defend a vehicle tax assessment if a vehicle owner files a tax appeal, and to adjust tax appeal statutes to deal with the differences in assessing motor vehicles

as compared to other types of property assessed by the Department of Revenue. **SB 88** is intended to correct these oversights.

Ms. Nordlund also indicated that **SB 88** was drafted based on what the current law is in terms of the operation of county tax appeal boards. Because the State Tax Appeal Board has requested separate legislation to amend provisions relating to the filing and hearing of appeals before a county tax appeal board (**HB 82**), it may be necessary to propose amendments to **SB 88** to ensure effective coordination with **HB 82**.

In reference to **SB 88**, **Ms. Nordlund** stated that this legislation would establish a uniform deadline for filing a vehicle tax appeal that coincides with the vehicle's anniversary date for reregistration. This bill would also allow the Department of Justice, in consultation with the State Tax Appeal Board, to define the form a tax appeal application must take and require a taxpayer to specifically explain the basis of the tax appeal in relation to the factors the law sets out for determining a vehicle's taxable valuation.

In addition, **Ms. Nordlund** said that **SB 88** would provide an exception to the current requirement that a county treasurer deposit in a special protest fund the portion of taxes and fees paid under protest in conjunction with a tax appeal. Instead, vehicle taxes or fees paid under protest would be distributed in the same manner as those received without protest. If a taxpayer prevails in a tax appeal, the taxes or fees would be refunded.

Ms. Nordlund also explained that **SB 88** would clarify when motor vehicle tax appeals must be filed in order to be heard in a county tax appeal board's regularly scheduled session. This is necessary because an appeal is deemed granted on the day following the board's final meeting for a year if the board fails to hear an application that was filed in a timely manner. She said **SB 88** would require that vehicle appeals filed at least 30 days prior to the beginning of a county tax appeal board's regularly scheduled session would be heard during that session. Appeals filed less than 30 days prior to the session or after the commencement of the session would be held over until the next year's session. A vehicle tax appeal that had not been heard by the county tax appeal board within two years of its filing would be considered granted.

Pat McKelvey, State Tax Appeal Board, explained that this legislation is necessary to clarify how county tax appeal boards handle vehicle tax appeals. The legislation mentioned previously, **HB 82**, is going to change the session length of the county tax appeal board if it is successful. As stated by **Ms. Nordlund**, part of the problem is that taxpayers need to know when

an appeal can be filed and whether it can be heard by the county tax appeal board in a timely fashion. County tax appeal boards presently only serve 60 days. It is felt that by extending their session length to six months, to begin July 1 and end December 31, will allow them to do that.

Opponents' Testimony: None

Questions from Committee Members and Responses:

SEN. ECK questioned **Brenda Nordlund** about what the bases of the 1997 appeals were. **Ms. Nordlund** explained that the basis for appeal was often, "These taxes are too high." They were questioning how it was figured and why it was so high.

SEN. GLASER asked **Ms. Nordlund** if she felt that these people filing appeals were angry people. **Ms. Nordlund** stated that one of these people was clearly angry, but the others were more concerned that it was correct and how it was figured. She stated that, as demonstrated in her handout, there were very few appeals when you consider how many vehicles there are statewide.

Closing by Sponsor:

SEN. STANG reiterated that it's important that the taxpayers are given a friendly and simple way to appeal taxes. He did suggest that perhaps 30 days after the due date might be better than the actual due date because most people don't really think about appealing until they have gone to reregister their vehicle.

*{Tape : 1; Side : A; Approx. Time Counter : 17 - 36; Comments :
Close of hearing on SB 88.}*

HEARING ON SB 61

Sponsor: SENATOR ALVIN A. ELLIS JR., SD 12, RED LODGE

Proponents: Dennis Burr, Montana Taxpayers Association

Alec Hansen, League of Montana Cities and Towns

Riley Johnson, National Federation of Independent
Businesses and Montana Broadcasters Association

Opponents: Margaret Morgan, Montana Association of Realtors

Ron deYoung, Montana Farmers Union

DEPARTMENT OF JUSTICE

SB 88: Vehicle Tax Appeal Procedures

Background

The 1997 Legislature, through Senate Bill 57, changed the way passenger cars, light trucks, vans and sport utility vehicles are valued for tax purposes. The new system uses a vehicle's "manufacturer's suggested retail price" as the benchmark for vehicle valuation and then depreciates the value to reflect the vehicle's age. Lawmakers also transferred the function of assessing vehicles for tax purposes from the county assessor to the Department of Justice. However, SB 57 overlooked the need to:

- realign the duty to defend a vehicle tax assessment if a vehicle owner files a tax appeal.
- adjust tax appeal statutes to deal with the differences in assessing motor vehicles as compared to other types of property assessed by the Department of Revenue.

Senate Bill 88 is intended to correct these oversights.

Defense of a Vehicle Tax Appeal

State law currently recognizes the Department of Revenue as the defendant in any proceeding before a county tax appeal board, the State Tax Appeal Board, or a court of law involving the assessment of property subject to taxation. Because the Department of Revenue no longer performs an assessment function concerning the taxation of motor vehicles, the law must be amended to recognize the Department of Justice as the proper party to defend such challenges.

Adjustment in Tax Appeal Procedures

SB 88 would make a number of changes in the procedures for filing and handling tax appeals involving motor vehicles:

- Establish a uniform deadline for filing vehicle tax appeals that coincides with the vehicle's anniversary date for reregistration. For example, vehicle owners with a July registration period must file a tax appeal on or before July 31, the last day of the month for the July registration period.
- Allow the Department of Justice, in consultation with the State Tax Appeal Board, to define the form a tax appeal application must take and require a taxpayer to specifically explain the basis of the tax appeal in relation to the factors the law sets out for determining a vehicle's taxable valuation.

- Provide an exception to the current requirement that a county treasurer deposit in a special protest fund the portion of property taxes and fees paid under protest in conjunction with a tax appeal. Instead, vehicle taxes or fees paid under protest would be distributed in the same manner as those received without protest. If a taxpayer prevails in a tax appeal, the taxes or fees would be refunded.
- Clarify when motor vehicle tax appeals must be filed in order to be heard in a county tax appeal board's regularly scheduled session. This is necessary because an appeal is deemed granted on the day following the board's final meeting for a year if the board fails to hear an application that was filed in a timely manner. In 1998, at least two vehicle tax appeals were deemed granted because they were filed prior to the conclusion of the county tax appeal board's scheduled session, but were not heard during that session.

SB 88 would require that vehicle appeals filed at least 30 days prior to the beginning of a county tax appeal board's regularly scheduled session would be heard during that session. Appeals filed less than 30 days prior to the session or after the commencement of the session would be held over until the next year's session. A vehicle tax appeal that has not been heard by the county tax appeal board within two years of its filing would be considered granted.

Coordination with STAB Legislation

Because the State Tax Appeal Board has requested separate legislation to amend provisions relating to the filing and hearing of appeals before a county tax appeal board (HB 82), it may be necessary to propose amendments to SB 88 to ensure effective coordination with HB 82.

SENATE TAXATION

DATE 1/11/99

EXHIBIT NO. 2

BILL NO. 88

1997 Vehicle Tax Appeals Received by the Department of Justice

Mineral County - 1994 Chevy S-10 pickup (to be heard in 1999)

Gallatin County - 1995 GMC Jimmy

- 1997 GMC Yukon

- 1994 Lincoln

Cascade County - 1995 Cadillac DeVille (on appeal to STAB)

Lake County - 1997 Dodge Ram 2500

1997 Dodge Ram 1500

**MONTANA SENATE
1999 LEGISLATURE
TAXATION COMMITTEE**

ROLL CALL

DATE _____

1/11/99

[illegible]

DATE 1/11/99

SENATE COMMITTEE ON Variation

BILLS BEING HEARD TODAY: SB 25, SB 61, SB 88

< ■ >

PLEASE PRINT

< ■ >

Check One

Name	Representing	Bill No.	Support	Oppose
Drew Roberts	DOS/mvd	88	X	
Vonny Hord	DOT/mvd	88	X	
Yvonne Morris	MACo	25/61/88		
Brenda Nordlund	DOT	88	X	
Ron Ostberg	MTTS	61		
DENNIS FURT	MT TAXPAYERS ASSOC	61	X	
Mike Doeller	Lee News Reports mT Mark. News Repor Assn	25-	Information	
Rosa de Yoaey	Mt Farmers Union	61		✓
Ronda Carpenter	Mt Housing Providers	61		✓
Riley Johnson	NFIB & Mt. Bankers	25/61	✓	✓
Chuck Johnson	Lee Newspapers			
Brian Smith	Dept. of Revenue	VARIOUS		
Larry Allen	Dept. of Revenue	SB 88		
Michael Atkins	Dept. of Revenue	SB 88		

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

DATE 1/11/99

SENATE COMMITTEE ON TAXATION

BILLS BEING HEARD TODAY: SB 25 - SB 61 - SB 88

< ■ > PLEASE PRINT < ■ >

Check One

Name	Representing	Bill No.	Support	Oppose
Neil Peterson	Department of Revenue	25		X
Margaret Morgan	Mont. Assoc. of Realtors	61		X
Gloria Paladechuk	Richland Econ. Dev.			
Pat McKelvey	STATE TAX APPEAL Ad	88	X	
Alec HENSEN	MT CITIES + TOWNS	61	✓	

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

DATE 1/11/99

SENATE COMMITTEE ON Taxation

BILLS BEING HEARD TODAY: SB 25 - SB 61 - SB 88

< ■ >

PLEASE PRINT

< ■ >

Check One

Name	Representing	Bill No.	Support	Oppose
<u>JB ROME ANDERSON</u>	<u>SHAW</u>			

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

MINUTES

**MONTANA SENATE
56th LEGISLATURE - REGULAR SESSION**

COMMITTEE ON TAXATION

Call to Order: By **CHAIRMAN GERRY DEVLIN**, on January 13, 1999 at 8:00 A.M., in Room 413/415 Capitol.

ROLL CALL

Members Present:

Sen. Gerry Devlin, Chairman (R)
Sen. Bob DePratu, Vice Chairman (R)
Sen. John C. Bohlinger (R)
Sen. Dorothy Eck (D)
Sen. E. P. "Pete" Ekegren (R)
Sen. Jon Ellingson (D)
Sen. Alvin Ellis Jr. (R)
Sen. Bill Glaser (R)
Sen. Barry "Spook" Stang (D)

Members Excused: None

Members Absent: None

Staff Present: Sandy Barnes, Committee Secretary
Lee Heiman, Legislative Branch

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: SB 127, 1/8/1999; SB 49,
1/8/1999
Executive Action: SB 88; SB 61

HEARING ON SB 127

Sponsor: SENATOR MIGNON WATERMAN, SD 26, HELENA

Proponents: Neil Peterson, Department of Revenue
Kati Kintli, Montana Tavern Association
Rich Miller, Gaming Industry Association

SEN. SWYSGOOD said that the impact as far as the General Fund is concerned is that **SB 48** takes the \$6.5 million from the General Fund that funded the trust land operation in Department of State Lands and it is now going to be offset by those monies going into the trust land account and will fund that operation, freeing up the \$6.5 million that was funding the State Lands Department to fund the \$6.5 million of the agency budgets that were being funded by RIT. He said there is a negative impact on the General Fund and allows more money to go into those programs that have been testified to today.

SEN. SWYSGOOD said 15-38-102, legislative policy, reads, "It is the policy of the State of Montana to indemnify its citizens for the loss of long term value resulting from the depletion of its mineral resource base and for environmental damage caused by mineral development. This policy of indemnification is achieved by establishing a permanent resource indemnity trust as required by Article IX, Section 2 of the Montana Constitution, by supporting groundwater assessment programs from the proceeds of a tax levied on mineral extraction and by allocating spendable revenues." He said the statutes specifically state that groundwater assessment is an integral part of this whole program.

EXECUTIVE ACTION ON SB 88

Discussion:

SEN. STANG reminded the committee that this is the bill that provides for tax appeals on motor vehicles. He then introduced an amendment to the bill that would give the parties another 30 days to file appeals. The bill states that the appeal will be done at the end of the grace period, or 30 days after the due date. This amendment extends the appeal period to 30 days after the final date that payment is due. He explained that on a vehicle whose license renewal date is July 1 and has a grace period until July 31, now would have another 30 days for appeal.

SEN. ELLIS said he understood **SEN. STANG'S** desire to make this process more taxpayer friendly, but asked if it had really been a problem. **SEN. STANG** stated that there had only been seven or eight appeals statewide on motor vehicles in the last year, but that he feels that part of the problem is that taxpayers are not aware that they can appeal the valuation of their motor vehicles. He said that as people become aware of that process, there will likely be more appeals brought before the county tax appeal boards.

Motion/Vote: SEN. STANG moved that Amendment SB008801.alh, EXHIBIT(tas09a10), be approved. Motion passed 7-1 with Ellis voting no.

Motion: SEN. STANG moved that Amendment SB008802.alh, EXHIBIT(tas09a11), be approved.

Discussion:

SEN. STANG explained that Amendment SB008802.alh is an amendment which deals with the scheduling of appeals should HB 82 pass. Mr. Heiman explained that HB 82 establishes county tax appeal board sessions that start July 1 and end December 31, and this amendment just makes SB 88 coordinate with that schedule.

Vote: Motion carried 8-0.

Motion/Vote: SEN. STANG moved SB 88 DO PASS AS AMENDED. MOTION CARRIED 8-0.

EXECUTIVE ACTION ON SB 61

Motion: SEN. ELLIS moved Amendment SB006101.alh, EXHIBIT(tas09a12).

Discussion:

SEN. ELLIS reminded the committee that SEN. GLASER had had some questions at hearing about the open-ended appearance of this Constitutional amendment, i.e., it could apply to any kind of property as far as assessing it at acquisition value. SEN. ELLIS explained that that was not the intent of the Interim Property Tax Committee, and so this limits that without specifically referencing class four properties by inserting the phrase "consisting primarily of residential property and commercial and industrial property that is not continuous property used in a commercial or industrial operation in more than one county or more than one state that is subject to central state assessment and apportionment of taxable value to the counties in which it is located."

SEN. ECK said she opposed this amendment because it gets into legislative detail that really does not belong in the Constitution. She said the Constitution is fundamental law, and this is really legislative detail. SEN. STANG asked SEN. ECK if making it read just class four property would make a difference, or if she thought the language here is sufficient to accomplish that. SEN. ECK replied that it would be preferable if it was

DATE 1/13/99

EXHIBIT NO. 10

BILL NO. SB 88

Amendments to Senate Bill No. 88
1st Reading Copy

Requested by Senator Spook Stang

For the Senate Taxation Committee

Prepared by Lee Heiman
January 12, 1999

1. Page 1, line 18.

Strike: "on or before"

Insert: "not later than 30 days after"

- END -

DATE 1/13/99EXHIBIT NO. 11BILL NO. SB 88Amendments to Senate Bill No. 88
1st Reading CopyRequested by Department of Justice
Coordination with HB 82

For the Senate Taxation Committee

Prepared by Lee Heiman
January 12, 1999

1. Page 5, line 14.

Insert: "NEW SECTION. Section 6. Coordination instruction. If House Bill No. 82 is passed and approved and amends 15-15-101 to establish county tax appeal board sessions that end December 31, then [section 1(3)(a) of this act] must read as follows:

"(3) (a) A motor vehicle tax appeal may be heard by the county tax appeal board during its next regularly scheduled session if the application for the appeal was filed ~~at least 30 days prior to the commencement of that session by December 1.~~ A motor vehicle tax appeal filed ~~less than 30 days prior to the commencement of the board's next regularly scheduled session or after the session has commenced~~ after December 1 may be held over by the board to a session in the following year.""

Renumber: subsequent sections

- END -

**MONTANA SENATE
1999 LEGISLATURE
TAXATION COMMITTEE**

ROLL CALL

DATE _____

1/13/99

[illegible]



SENATE STANDING COMMITTEE REPORT

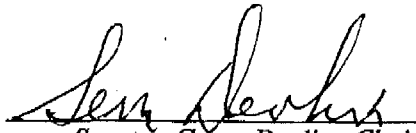
January 13, 1999

Page 1 of 1

Mr. President:

We, your committee on Taxation report that Senate Bill 88 (first reading copy -- white) do pass as amended.

Signed:


Senator Gerry Devlin, Chair

And, that such amendments read:

1. Page 1, line 18.

Strike: "on or before"

Insert: "not later than 30 days after"

2. Page 5, line 14.

Insert: "NEW SECTION. Section 6. Coordination instruction. If House Bill No. 82 is passed and approved and amends 15-15-101 to establish county tax appeal board sessions that end December 31, then [section 1(3)(a) of this act] must read as follows:

"(3) (a) A motor vehicle tax appeal may be heard by the county tax appeal board during its next regularly scheduled session if the application for the appeal was filed ~~at least 30 days prior to the commencement of that session~~ by December 1. A motor vehicle tax appeal filed ~~less than 30 days prior to the commencement of the board's next regularly scheduled session or after the session has commenced~~ after December 1 may be held over by the board to a session in the following year."

Renumber: subsequent sections

- END -

Committee Vote:

Yes 8, No 0.

091154SC.sjo

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 56th LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By **CHAIRMAN CHASE HIBBARD**, on January 22, 1999 at 8:00 A.M., in Room 437 Capitol.

ROLL CALL

Members Present:

Rep. Chase Hibbard, Chairman (R)
Rep. Kim Gillan, Vice Chairman (D)
Rep. Bob Story, Vice Chairman (R)
Rep. Gary Beck (D)
Rep. Rick Dale (R)
Rep. Bob Davies (R)
Rep. Ron Erickson (D)
Rep. Daniel Fuchs (R)
Rep. Mary Anne Guggenheim (D)
Rep. Marian Hanson (R)
Rep. Hal Harper (D)
Rep. Dan Harrington (D)
Rep. John L. Holden (R)
Rep. Verdell Jackson (R)
Rep. Scott J. Orr (R)
Rep. Bob Raney (D)
Rep. Bill Rehbein (R)
Rep. Sam Rose (R)
Rep. Trudi Schmidt (D)
Rep. Roger Somerville (R)

Members Excused: None.

Members Absent: None.

Staff Present: Donna Grace, Committee Secretary
Jeff Martin, Legislative Branch

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted:

HB 199, 1/12/1999
SB 15, 1/18/1999
SB 14, 1/14/1999
SB 88, 1/18/1999
HB 272, 1/14/1999

Executive Action:

HJR 2 -Do Pass as Amended
SB 15 - Do Pass
SB 14 - Do Pass

HEARING ON HB 199

Opening Statement by Sponsor:

Rep. John Cobb, House District 50, opened the hearing.

{Tape : 1; Side : A; Approx. Time Counter : 1.9}

Proponents' Testimony:

Ron deYong, Montana Farmers Union

{Tape : 1; Side : A; Approx. Time Counter : 6}

Webb Brown, Montana Chamber of Commerce

{Tape : 1; Side : A; Approx. Time Counter : 7.1}

John Munding Montana Stockgrowers, Montana Woolgrowers, and
Montana Farm Bureau

{Tape : 1; Side : A; Approx. Time Counter : 8.7}

Opponents' Testimony: None

Informational Witnesses:

Jane Jelinski, Montana Association of Counties

{Tape : 1; Side : A; Approx. Time Counter : 9.4}

Questions from Committee Members and Responses:

{Tape : 1; Side : A; Approx. Time Counter : 10.4}

Proponents' Testimony:

Don Hoffman, Department of Revenue

{Tape : 1; Side : B; Approx. Time Counter : 18.2}

Opponents' Testimony: None.

Questions from Committee Members and Responses:

{Tape : 1; Side : B; Approx. Time Counter : 19.3}

Closing by Sponsor:

Sen. Ellis closed the hearing.

{Tape : 1; Side : B; Approx. Time Counter : 19.7}

EXECUTIVE ACTION ON SB 14

Rep. Harper MOVED that SB 14 BE CONCURRED IN. On a voice vote,
the MOTION PASSED, 19 - 0.

{Tape : 1; Side : B; Approx. Time Counter : 20.5}

HEARING ON SB 88

Opening Statement by Sponsor:

Sen. Barry "Spook" Stang, Senate District 36, opened the hearing.

{Tape : 1; Side : B; Approx. Time Counter : 21.5}

Proponents' Testimony:

Brenda Nordlund, Department of Justice EXHIBIT(tah43b01)

{Tape : 1; Side : B; Approx. Time Counter : 23.7}

Member, Tax Appeal Board

{Tape : 2; Side : A; Approx. Time Counter : 0.1}

Opponents' Testimony: None.

Questions from Committee Members and Responses:

{Tape : 2; Side : A; Approx. Time Counter : 0.7}

Closing Statement by Sponsor:

Sen. Stang closed.

{Tape : 2; Side : A; Approx. Time Counter : 12.9}

HEARING ON HB 272

Opening Statement by Sponsor:

Rep. Billie Krenzler, House District 90, opened the hearing.

EXHIBIT(tah43b02)

{Tape : 2; Side : A; Approx. Time Counter : 13.9}

Proponents' Testimony:

Webb Brown, Montana Chamber of Commerce

{Tape : 2; Side : A; Approx. Time Counter : 19.2}

Opponents' Testimony:

Dennis Burr, Montana Taxpayers Association

{Tape : 2; Side : A; Approx. Time Counter : 20.4}

Riley Johnson, National Federation of Independent Businesses

{Tape : 2; Side : A; Approx. Time Counter : 21.8}

Informational Testimony:

Jane Jelinski, Montana Association of Counties

{Tape : 2; Side : A; Approx. Time Counter : 23}

Don Hoffman, Department of Revenue EXHIBIT(tah43b03) -
Amendment.

{Tape : 2; Side : A; Approx. Time Counter : 24.7}

Questions from Committee Members and Responses:

{Tape : 2; Side : A; Approx. Time Counter : 27.2}

Closing by Sponsor:

The sponsor closed.

{Tape : 2; Side : B; Approx. Time Counter : 9.8}

DEPARTMENT OF JUSTICE

SB 88: Vehicle Tax Appeal Procedures

Background

The 1997 Legislature, through Senate Bill 57, changed the way passenger cars, light trucks, vans and sport utility vehicles are valued for tax purposes. The new system uses a vehicle's "manufacturer's suggested retail price" as the benchmark for vehicle valuation and then depreciates the value to reflect the vehicle's age. Lawmakers also transferred the function of assessing vehicles for tax purposes from the county assessor to the Department of Justice. However, SB 57 overlooked the need to:

- realign the duty to defend a vehicle tax assessment if a vehicle owner files a tax appeal.
- adjust tax appeal statutes to deal with the differences in assessing motor vehicles as compared to other types of property assessed by the Department of Revenue.

Senate Bill 88 is intended to correct these oversights.

Defense of a Vehicle Tax Appeal

State law currently recognizes the Department of Revenue as the defendant in any proceeding before a county tax appeal board, the State Tax Appeal Board, or a court of law involving the assessment of property subject to taxation. Because the Department of Revenue no longer performs an assessment function concerning the taxation of motor vehicles, the law must be amended to recognize the Department of Justice as the proper party to defend such challenges.

Adjustment in Tax Appeal Procedures

SB 88 would make a number of changes in the procedures for filing and handling tax appeals involving motor vehicles:

- Establish a uniform deadline for the filing of vehicle tax appeals. Originally, SB 88 proposed a deadline that would coincide with the anniversary date for a vehicle's re-registration, which, for light vehicles, is the last day of the month in which the vehicle was originally registered.

The Senate Taxation Committee amended SB 88 to extend the filing deadline up to 30 days *after* the vehicle's re-registration anniversary. This means that a vehicle owner whose vehicle registration period is July must file a tax appeal on or before August 30, the thirtieth day following the last day of July.

- Allow the Department of Justice, in consultation with the State Tax Appeal Board, to design a tax appeal application form that would require a taxpayer to specifically explain the basis of the tax appeal in relation to the factors the law sets out for determining a vehicle's taxable valuation.
- Provide an exception to the current requirement that a county treasurer deposit in a special protest fund the portion of property taxes and fees paid under protest in conjunction with a tax appeal. Instead, vehicle taxes or fees paid under protest would be distributed in the same manner as those received without protest. If a taxpayer prevails in a tax appeal, the taxes or fees would be refunded.
- Clarify when motor vehicle tax appeals must be filed in order to be heard in a county tax appeal board's regularly scheduled session. This is necessary because an appeal is deemed granted on the day following the board's final meeting for a year if the board fails to hear an application that was filed in a timely manner. In 1998, at least two vehicle tax appeals were deemed granted because they were filed prior to the conclusion of the county tax appeal board's scheduled session, but were not heard during that session.

As originally proposed, SB 88 permitted vehicle appeals filed at least 30 days prior to the beginning of a county tax appeal board's regularly scheduled session to be heard during that session. Appeals filed less than 30 days prior to the session or after the commencement of the session would be held over until the next year's session. A vehicle tax appeal that has not been heard by the county tax appeal board within two years of being filed would be considered granted.

A coordination instruction has since been added to SB 88 that would coordinate the changes proposed in HB 82 concerning the scheduling of county tax appeal sessions. HB 82 would authorize county tax appeal boards to conduct their regular session between July 1 and December 31 of each year. The coordination instruction provides that appeals filed on or before December 1 would be heard during the current year's session and appeals filed after December 1 would be held over until the following year's session.

1
Kadlernd

1997 Vehicle Tax Appeals Received by the Department of Justice

Mineral County - 1994 Chevy S-10 pickup (to be heard in 1999)

Gallatin County - 1995 GMC Jimmy

- 1997 GMC Yukon

- 1994 Lincoln

Cascade County - 1995 Cadillac DeVille (on appeal to STAB)

Lake County - 1997 Dodge Ram 2500

1997 Dodge Ram 1500

Intentional
Blank
Page

HOUSE TAXATION COMMITTEE - 1999

ROLL CALL

DATE OF MEETING 1-22-99

NAME	PRESENT	ABSENT	EXCUSED
Rep. Beck	✓		
Rep. Dale	✓		
Rep. Davies	✓		
Rep. Erickson	✓		
Rep. Fuchs	✓		
Rep. Gillan	✓		
Rep. Guggenheim	✓		
Rep. Hanson	✓		
Rep. Harper	✓		
Rep. Harrington	✓		
Rep. Holden	✓		
Rep. Jackson	✓		
Rep. Orr	✓		
Rep. Raney	✓		
Rep. Rehbein	✓		
Rep. Rose	✓		
Rep. Schmidt	✓		
Rep. Somerville	✓		
Rep. Story	✓		
Rep. Hibbard	✓		

HOUSE TAXATION COMMITTEE

BILL NO: SB 88 SPONSOR: Sen. Stang

Please leave prepared testimony with secretary.
Witness statement forms are available if you care to submit written testimony.

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 56th LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By **CHAIRMAN CHASE HIBBARD**, on January 28, 1999 at 8:00 A.M., in Room 437 Capitol.

ROLL CALL

Members Present:

Rep. Chase Hibbard, Chairman (R)
Rep. Kim Gillan, Vice Chairman (D)
Rep. Gary Beck (D)
Rep. Rick Dale (R)
Rep. Bob Davies (R)
Rep. Ron Erickson (D)
Rep. Daniel Fuchs (R)
Rep. Mary Anne Guggenheim (D)
Rep. Marian Hanson (R)
Rep. Hal Harper (D)
Rep. Dan Harrington (D)
Rep. John L. Holden (R)
Rep. Verdell Jackson (R)
Rep. Scott J. Orr (R)
Rep. Bob Raney (D)
Rep. Bill Rehbein (R)
Rep. Sam Rose (R)
Rep. Trudi Schmidt (D)
Rep. Roger Somerville (R)

Members Excused: Rep. Bob Story, Vice Chairman (R)

Members Absent: None.

Staff Present: Donna Grace, Committee Secretary
Jeff Martin, Legislative Branch

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted:

SB 109, 1/21/1999
SB 106, 1/21/1999
HB 318, 1/21/1999

Executive Action:

SB 106, Concur
SB 53, Concur
SB 88, Concur as Amended
HB 132, Do Pass
HB 248, Do Pass as Amended
SB 84 - Concur

HEARING ON SB 109

Opening Statement by Sponsor:

Sen. Alvin Ellis, Senate District 12 EXHIBIT(tah22a01)
{Tape : 1; Side : A; Approx. Time Counter : 1.2}

Proponents' Testimony:

Gene Walborn, Department of Revenue
{Tape : 1; Side : A; Approx. Time Counter : 4.4}

Opponents' Testimony:

Barbara Ranf, U. S. West EXHIBIT(tah22a02)
{Tape : 1; Side : A; Approx. Time Counter : 6.8}

Questions from Committee Members and Responses:

{Tape : 1; Side : A; Approx. Time Counter : 8.3}

Closing by Sponsor:

{Tape : 1; Side : A; Approx. Time Counter : 12.4}

HEARING ON SB 106

Sponsor:

EXECUTIVE ACTION ON SB 88

Motion:

Rep. Orr MOVED TO CONCUR IN SB 88.

{Tape : 2; Side : A; Approx. Time Counter : 3}

Motion:

Rep. Harper MOVED to adopt amendments. EXHIBIT(tah22a04)

{Tape : 2; Side : A; Approx. Time Counter : 3.5}

Discussion:

{Tape : 2; Side : A; Approx. Time Counter : 4.1}

Vote:

On a voice vote, the MOTION PASSED, unanimously, 20 - 0.

{Tape : 2; Side : A; Approx. Time Counter : 6}

Motion/Vote:

Rep. Orr MOVED TO CONCUR AS AMENDED. On a voice vote, the MOTION PASSED unanimously, 20 - 0.

{Tape : 2; Side : A; Approx. Time Counter : 6.6}

EXECUTIVE ACTION ON HB 248

Motion:

Rep. Harrington MOVED HB 248 DO PASS.

{Tape : 2; Side : A; Approx. Time Counter : 11.5}

Discussion:

{Tape : 2; Side : A; Approx. Time Counter : 9.4}

Motion/Vote:

Rep. Harrington MOVED AMENDMENT 24801 DO PASS. EXHIBIT(tah22a05)

On a voice vote, the MOTION PASSED unanimously, 20 - 0.

Amendments to Senate Bill No. 88
3rd Reading Copy

EXHIBIT 4
DATE 1-28-99
HB 88

Requested by Representative Hal Harper

For the House Taxation Committee

Prepared by Jeff Martin
January 27, 1999

1. Page 2, line 4.

Following: "session."

Insert: "If a county tax appeal board refuses or fails to hear a taxpayer's application that was timely filed at least 30 days prior to the commencement of its next regularly scheduled session, then the taxpayer's application is considered to be granted on the day following the board's final meeting for that year.

(b) "

2. Page 2, line 6.

Following: "year."

Insert: "If a taxpayer's application that was timely filed less than 30 days prior to the commencement of the next regularly scheduled session of the county tax appeal board is held over to a session in the following year and if the county tax appeal board refuses or fails to hear the application during the following session, then the application is considered to be granted on the day following the board's final meeting for that year."

3. Page 5, line 18.

Strike: "(3) (A)"

Insert: "(3) "

4. Page 5, line 21.

Following: "."

Insert: "If during its current session, a county tax appeal board refuses or fails to hear a taxpayer's application that was timely filed by December 1, then the taxpayer's application is considered to be granted on the day following the board's final meeting for that year.

(b) "

5. Page 5, line 23.

Following: "year."

Insert: "If a taxpayer's application that was timely filed after

December 1 of the current session of the county tax appeal board is held over to a session in the following year and if the county tax appeal board refuses or fails to hear the application during the following session, then the application is considered to be granted on the day following the board's final meeting for that year."

- END -

HOUSE TAXATION COMMITTEE - 1999

ROLL CALL

DATE OF MEETING 1-28-97

NAME	PRESENT	ABSENT	EXCUSED
Rep. Beck	✓		
Rep. Dale	✓		
Rep. Davies	✓		
Rep. Erickson	✓		
Rep. Fuchs	✓		
Rep. Gillan	✓		
Rep. Guggenheim	✓		
Rep. Hanson	✓		
Rep. Harper	✓		
Rep. Harrington	✓		
Rep. Holden	✓		
Rep. Jackson	✓		
Rep. Orr	✓		
Rep. Raney	✓		
Rep. Rehbein	✓		
Rep. Rose	✓		
Rep. Schmidt	✓		
Rep. Somerville	✓		
Rep. Story			✓
Rep. Hibbard	✓		



HOUSE STANDING COMMITTEE REPORT

January 28, 1999

Page 1 of 2

Mr. Speaker:

We, your committee on **Taxation** report that **Senate Bill 88** (third reading copy -- blue) be concurred in as amended.

Signed: _____

Chase Hibbard
Representative Chase Hibbard, Chair

To be carried by Representative Hal Harper

And, that such amendments read:

1. Page 2, line 4.

Following: "session."

Insert: "If a county tax appeal board refuses or fails to hear a taxpayer's application that was timely filed at least 30 days prior to the commencement of its next regularly scheduled session, then the taxpayer's application is considered to be granted on the day following the board's final meeting for that year.

(b) "

2. Page 2, line 6.

Following: "year."

Insert: "If a taxpayer's application that was timely filed less than 30 days prior to the commencement of the next regularly scheduled session of the county tax appeal board is held over to a session in the following year and if the county tax appeal board refuses or fails to hear the application during the following session, then the application is considered to be granted on the day following the board's final meeting for that year."

3. Page 5, line 18.

Strike: "(3) (A) "

Insert: "(3) "

Committee Vote:

Yes 20, No 0.

221411SC.ham

88
2:20
1-24

4. Page 5, line 21.

Following: "."

Insert: "If during its current session, a county tax appeal board refuses or fails to hear a taxpayer's application that was timely filed by December 1, then the taxpayer's application is considered to be granted on the day following the board's final meeting for that year.

(b)"

5. Page 5, line 23.

Following: "year."

Insert: "If a taxpayer's application that was timely filed after December 1 of the current session of the county tax appeal board is held over to a session in the following year and if the county tax appeal board refuses or fails to hear the application during the following session, then the application is considered to be granted on the day following the board's final meeting for that year."

- END -

HOUSE TAXATION COMMITTEE - 1999

ROLL CALL VOTE

BILL NO. SB 38

DATE OF MEETING 1-28-99

MOTION: Harper Amendment

Harper to carry

NAME	YES	NO	ABSTAIN
Rep. Story			
Rep. Orr			
Rep. Schmidt			
Rep. Holden			
Rep. Rose			
Rep. Guggenheim			
Rep. Jackson			
Rep. Harrington			
Rep. Dale			
Rep. Sommerville			
Rep. Erickson			
Rep. Rehbein			
Rep. Beck			
Rep. Davies			
Rep. Fuchs			
Rep. Harper			
Rep. Hanson			
Rep. Raney			
Rep. Gillan			
Rep. Hibbard			

*Passed
unanimously*

HOUSE TAXATION COMMITTEE - 1999

ROLL CALL VOTE

BILL NO. SB88

DATE OF MEETING

1-28-99

MOTION:

On Consent as amended

Harper to carry

NAME	YES	NO	ABSTAIN
Rep. Story			
Rep. Orr			
Rep. Schmidt			
Rep. Holden			
Rep. Rose			
Rep. Guggenheim			
Rep. Jackson			
Rep. Harrington			
Rep. Dale			
Rep. Sommerville			
Rep. Erickson			
Rep. Rehbein			
Rep. Beck			
Rep. Davies			
Rep. Fuchs			
Rep. Harper			
Rep. Hanson			
Rep. Raney			
Rep. Gillan			
Rep. Hibbard			